

January 11, 2012

VIA ELECTRONIC FILING

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: WC Docket No. 11-42 - Lifeline and Link Up Reform and Modernization
NOTICE OF EX PARTE PRESENTATION

Dear Ms. Dortch:

This letter is submitted on behalf of TracFone Wireless, Inc. ("TracFone"). Enclosed with this letter is a paper authored by former Commissioner Deborah Taylor Tate and published by the Free State Foundation. Commissioner Tate's paper is entitled "A Vital Lifeline." It is requested that this paper be included in the record of this proceeding.

While endorsing the Commission's efforts to improve Lifeline program efficiencies and preventing fraud, Commissioner Tate urges the Commission not to "throw the baby out with the bathwater," in response to criticisms about "waste, fraud, and abuse." Further, Commissioner Tate notes correctly that the industry has stepped forward with solutions which have solved many of the concerns about waste, fraud and abuse. Though not specified, TracFone believes that those solutions include the cooperative efforts among the Commission, Eligible Telecommunications Carriers, and the Universal Service Administrative Company to develop and implement a duplicate enrollment de-enrollment process, as well as such processes as voluntary 60 day non-usage policies, and obtainment of additional customer information such as date of birth and Social Security Number (last four digits) to enhance the ability of Lifeline providers to confirm applicants' identities and to prevent enrollment by unqualified persons.

Recognizing the importance of ensuring affordable communications for low income consumers, especially during periods of economic recession, Commissioner Tate states that the low income program is the part of the Universal Service Fund which most embodies Congress's intent to ensure that all Americans have opportunities to access a nationwide communications network to connect people (without regard to income) to jobs, healthcare, schools, and their families. As a former Commissioner and former Chairman of the Federal-State Joint Board, Commissioner Tate is unusually familiar with Universal Service in general and the Lifeline/low-income program in particular. As the Commission continues to consider Lifeline reforms, TracFone respectfully urges the Commission to weigh carefully the sage advice of Commissioner Tate.

Ms. Marlene H. Dortch
January 11, 2012
Page 2

Pursuant to Section 1.1206(b) of the Commission's rules, this letter is being filed electronically. If there are questions, please communicate directly with undersigned counsel for TracFone.

Sincerely,

A handwritten signature in black ink, appearing to read "Mitchell F. Brecher", with a long horizontal flourish extending to the right.

Mitchell F. Brecher

Enclosure

cc: Mr. Zachary Katz
Mr. Michael Steffen
Ms. Angela Kronenberg
Ms. Christine Kurth
Ms. Sharon Gillett
Mr. Trent Harkrader
Ms. Kim Scardino
Mr. Jonathan Lechter
Ms. Jamie Susskind

Enclosure

[Share](#)
[Report Abuse](#)
[Next Blog»](#)
[Create Blog](#)
[Sign In](#)

THE FREE STATE FOUNDATION

A Free Market Think Tank for Maryland.....Because Ideas Matter

Tuesday, January 10, 2012

A Vital Lifeline

By Deborah Taylor Tate

Probably only telecom groupies realize the monumental efforts of the FCC over the past year to reform the \$7 billion dollar Universal Service Fund (USF). The effort culminated in a voluminous order focused on the High Cost Fund that was adopted on November 18, 2011. And, while there will certainly be legal challenges to the USF order, it is no less an important step for the agency.

The FCC commissioners and staff should be proud of taking a stand and finally curtailing what has been one of the least efficient and certainly overly costly subsidy programs funded by taxpayers. The USF program has been a poster child for corporate welfare, and it has needed reform for decades.

On the other hand, the FCC now has the last piece of overall USF reform to finalize: the portion of the fund that supports qualified Low Income persons. And while I have been a vociferous supporter of reforming universal service for years, I hope that the Commission doesn't throw the baby out with the bathwater. While many have criticized the Low Income Fund for "waste, fraud and abuse" – indeed, I agree all government programs should constantly improve their efficiencies and implement procedures to prevent fraud – the industry has stepped forward with numerous solutions which already have solved most of these criticisms, and more reforms can be implemented.

But the bottom line is that low income Americans are still facing extremely high levels of unemployment and the longest recession since the Depression.

The low income fund is just that: a fund only for low income persons; only for the poorest of the poor.

In many ways, it is the part of the fund that most embodies what Congress intended by creating a fund that ensures all Americans have the opportunities available in a nationwide communications network. Congress indeed foresaw that communications would connect people to jobs, healthcare, schools, and, of course, their families. Today that connectivity should include broadband, and the Lifeline could again be the safety net to insure that no American – no matter how poor – is left behind in the Digital Age.

And here's an important point about the Lifeline program that

Search This Blog

powered by Google™

Share it

[Share this on Facebook](#)

[Tweet this](#)

[View stats](#)

[Get more gadgets for your site](#)

Subscribe To

The Free State Foundation

P. O. Box 60680
 Potomac, MD 20859
 301-984-8253
info@freestatefoundation.org
<http://www.freestatefoundation.org/>


Blog Archive

- ▼ 2012 (6)
- ▼ January (6)
- [There is a very good piece by Cary Coglianese, not...
A Vital Lifeline](#)

should be emphasized: The fact that the program exists, as a means of targeting subsidies to those truly in need, makes it easier to argue convincingly that those parts of the overall USF program which distribute subsidies in a much more indiscriminate fashion, such as the high-cost program, should be subject to hard caps and gradual reductions.

In other words, the existence of the Lifeline program ought to be persuasive in arguing that subsidies that support service to the wealthy residents of Aspen and Jackson Hole should continue to be phased out.

My hope for the New Year is that the FCC recognizes the important – indeed, the critical – role that the Lifeline program plays in helping to ensure communications access for the truly poor. Rather than capping the low income program, we should be ensuring that those in need have access to this vital lifeline.

Posted by kbaker at [12:23 PM](#) 

Labels: [Deborah Taylor Tate](#), [FSF](#), [Lifeline](#), [Universal Service](#), [USF](#)

[Newer Post](#)

[Home](#)

[Older Post](#)

[Internet Access as a Human Right](#)

[North Carolina's Broadband Battle](#)

[Tom Friedman on the Gig-U Project](#)

[New Year's 2012: Hayek, Liberty, and the Communica...](#)

- [2011](#) (107)
- [2010](#) (97)
- [2009](#) (65)
- [2008](#) (43)
- [2007](#) (56)
- [2006](#) (47)

Links

[Atlas Economic Research Foundation](#)

[Free State Foundation](#)

[Google News](#)

[Heritage Foundation](#)

[InfoTech & Telecom News](#)

[Manhattan Institute](#)

[PFF Blog](#)

[State Policy Network](#)

[Tech Liberation Front](#)

[Technorati](#)

All copyright and trademark rights reserved.

A Free Market Think Tank for Maryland.....Because Ideas Matters and **FSF** are registered trademarks.